

# **Maryland Higher Education Commission**

## **Finance Policy Committee Meeting Agenda**

**1:30 P.M.**

**Thursday, March 13, 2003**

**Maryland Higher Education Commission**

**839 Bestgate Road, Suite 400**

**Annapolis, MD 21401**

**MARYLAND HIGHER EDUCATION COMMISSION**

**John J. Oliver, Jr., Chairman**

**Joann A. Boughman**

**Dorothy Dixon Chaney**

**Edward O. Clarke, Jr.**

**Anne Osborn Emery**

**George S. Malouf, Jr.**

**Benjamin F. Mason**

**Emmett Paige, Jr.**

**Tawan Perry**

**Donald J. Slowinski, Sr.**

**Richard P. Streett, Jr.**

**Mario VillaSanta**

**Karen R. Johnson, J.D.**  
**Secretary of Higher Education**

**MARYLAND HIGHER EDUCATION COMMISSION  
FINANCE POLICY**

**Richard P. Streett, Jr., Chair**

**Joann A. Boughman**

**Donald J. Slowinski, Sr.**

**George S. Malouf, Jr.**

**Benjamin F. Mason**

**Tawan Perry**

**Janice B. Doyle  
Assistant Secretary for Finance Policy**



**MARYLAND HIGHER EDUCATION COMMISSION  
FINANCE POLICY COMMITTEE**

**AGENDA**

**TIME:** 1:30 p.m.  
Thursday  
March 13, 2003

**PLACE:** 839 Bestgate Road, Suite 400  
Annapolis, MD 21401

	<u>Page</u>	<u>Action Item</u>
Call to Order		
Approval of the October 30, 2002 Minutes .....	1	*
FY 2005 Capital Budget Priorities.....	7	*
Revised Guidelines for Maryland GEAR UP Scholarship Program.....	11	*
Survey of Maryland Teacher Scholarship Recipients .....	21	*
Community College Capital Grant Program: State and Local Cost-Sharing Formula .....	25	
Report on the Innovative Partnerships for Technology Program .....	27	
Report on the Private Donation Incentive Program .....	37	

<p>The Maryland Higher Education Commission is committed to ensuring that individuals with disabilities are able to fully participate in and benefit from the Commission's public meetings, programs, and services. Anyone planning to attend a meeting of the Commission who wishes to receive auxiliary aids, services, or accommodations should contact Susan Taylor at 410-260-4539 or 1-800-735-2258 (TTY/Voice) by Thursday, March 6, 2003.</p>
---



**MARYLAND HIGHER EDUCATION COMMISSION**  
**839 Bestgate Road, Suite 400**  
**Annapolis, Maryland 21401**

**Finance Policy Committee**  
Minutes of Meeting  
October 30, 2002

The Finance Policy Committee met on Thursday, October 30, 2002. Commission members present were: Dr. Richard P. Streett, Jr., Chair; Dr. Joann A. Boughman; Dr. George S. Malouf, Jr.; Mr. Tawan Perry; and Dr. Donald J. Slowinski, Sr.

Staff members present were: Karen R. Johnson, Secretary; Janice Doyle, Assistant Secretary; Anne Budowski, Assistant Secretary; Dr. John Sabatini, Jr., Assistant Secretary; Pace McConkie, Assistant Attorney General; Monica Randall; Geoffrey Newman; David Beard; Jody Sprinkle; Cathy Tidwell; and Susan Taylor.

**CALL TO ORDER**

Commissioner Streett called the Finance Policy Meeting to order at 3:02 p.m.

**APPROVAL OF MINUTES**

The Commissioners reviewed the Finance Policy Committee meeting minutes from the September 19, 2002, meeting and approved them with no corrections.

**OPENING REMARKS**

Ms. Karen Johnson, Secretary of Higher Education, addressed the Committee members concerning the budget. She stated that due to the State's deficit situation, cuts to the current 2003 fiscal budget for the agency and possibly for higher education are inevitable. She said she would let the Commissioners know as soon as she received that information.

**BALTIMORE CITY COMMUNITY COLLEGE FY 2004 BUDGET REQUESTS**

Dr. Shirlene Snowden, Vice President for Administration, introduced and spoke on behalf Dr. Sylvester McKay, President of the Baltimore City Community College. Dr. Snowden provided a handout to the Committee members, which outlined the accomplishments of the college, their current budgetary needs, and some of the challenges they have before them.

Dr. Snowden spoke about the college's increased enrollment, an increase in their retention rate through innovative programs, and their expansion into the community - specifically the Reisterstown Plaza location. She detailed their many other accomplishments and shared the details of their future goals for the college.

In accordance with Senate Bill 323, Dr. Snowden reported that the FY 2004 operating budget request for BCCC includes a \$2.7 million dollar increase based on enrollment. Additionally, their capital budget request of \$18.5 million would be used to continue phase II of the renovation of the main academic building at the Liberty Campus.

Dr. Snowden outlined many of the challenges facing Baltimore City Community College. Some concerns discussed were tuition affordability, remediation needs, and heavy reliance on part-time faculty. She said they must keep tuition down due to the high poverty levels and the high unemployment rate in Baltimore City. She added that students coming out of Baltimore City public schools are not prepared for college level courses and that 80 percent of their incoming students need remediation coursework. Dr. Snowden also addressed the college's need for additional space to meet enrollment expectations and discussed their plans for renovation and expansion of facilities at various locations.

## **GUIDELINES FOR THE HEALTH PERSONNEL SHORTAGE INCENTIVE GRANT PROGRAM**

Ms. Andrea Hunt, Director of the Office of the Student Financial Assistance, offered a brief description of the Health Personnel Shortage Incentive Grant Program and detailed three proposed changes to the guidelines. She stated that these changes are being recommended to clarify the use of funds, to add new health occupation shortage areas, and due to the recent name change of the division, to remove all references to the State Scholarship Administration.

Ms. Hunt explained the need for additional language in the guidelines to clarify that funds disbursed for the eligible educational programs are to be used to enhance or expand the programs and are not intended for use as a scholarship.

In addition to this change, Ms. Hunt informed the Committee that four new occupations have been identified by the Department of Health & Mental Hygiene as health occupations in short supply. The recommended changes to the guidelines will reflect the addition of these four occupations to the list of eligible occupations.

Commissioner Malouf moved to approve the guideline changes and forward the recommendation to the full Commission. Commissioner Boughman seconded the motion and the Committee voted unanimously to approve the motion.



## **FY 2004 CONSOLIDATED OPERATING BUDGET**

Ms. Janice Doyle, Assistant Secretary for Finance Policy, presented an overview of the staff's operating budget recommendations. She began by stating that the Maryland Higher Education Commission is charged with submitting recommendations to the Governor and General Assembly on the appropriate level of funding for higher education in order to achieve the goals established in the State plan. The segments and the institutions presented the FY 2004 budget requests at the September 19, 2002, Finance Policy Committee meeting.

### The University System of Maryland

The University System of Maryland (USM) has requested a general fund appropriation of \$948.7 million for FY 2004, which is a 9 percent increase over FY 2003. Overall, USM's general fund request is 85 percent of the funding guidelines that is used to evaluate the segment. The staff recommends supporting their request for \$948.7 million for FY 2004.

### Morgan State University

Morgan State University has requested a general fund appropriation of \$62.6 million for FY 2004, which includes a baseline request of \$1.9 million to support workload increases and cost of living adjustments. An additional \$7.5 million is being requested to support enrollment growth and other important initiatives. Morgan's general fund request is 99 percent of their funding guidelines. Staff recommends supporting their general fund request of \$62.6 million for FY 2004.

### St. Mary's College of Maryland

St. Mary's College of Maryland general fund appropriation is calculated under a statutory formula that multiplies the prior year appropriation by the State and Local Price Deflator, which is basically a measure of inflation for states and localities. For FY 2004, the general fund grant to St. Mary's is \$15.6 million, an increase of 3.34 percent over FY 2003. The staff recommends that increase.

### Independent Colleges and Universities

Aid to the Independent Institutions is provided through a statutory formula under the Joseph A. Sellinger Program. Based on estimated enrollment information, aid to the independent institutions for FY 2004 is \$46.3 million. Staff recommends that general fund appropriation, as requested and calculated under that formula.

### Baltimore City Community College

The Baltimore City Community College receives a State appropriation through a funding formula. Based on their estimated enrollment information, the formula for FY 2004 State grant is \$33.4 million. In addition, State funds are provided to the college to fund the college's English for Speakers of Other Languages Grant Program (ESOL). For FY 2004 the college is requesting \$500,000 for this program. The staff recommends supporting the Baltimore City Community College's State grant for additional aid for ESOL for a total general fund request of \$33.9 million, which is a 9 percent increase over FY 2003.

### Community Colleges

The Community Colleges receive a State appropriation through a statutory funding formula called the Senator John A. Cade Funding Formula. For FY 2004, the formula aid to the community colleges is \$161.9 million, which is an increase of 3 percent over the FY 2003 appropriation. In addition, the community colleges receive State general funds for fringe benefits in several statewide programs. The Commission is requesting \$35.9 million for FY 2004 for the following programs: The retirement fringe benefit statewide and health manpower programs, ESOL, Garrett/West Virginia Reciprocity Agreement, Small Community College Grant, Somerset Reciprocity Grant, the Innovative Partnership Technology Grant, and the Appalachian Mountain Community College Grant. The staff recommends a total FY 2004 general fund appropriation of \$197.9 million for programs supporting the State's community colleges.

### Regional Higher Education Centers

The Commission has a statutory coordinating responsibility to the Regional Higher Education Centers and is charged with making recommendations for State funding to the Governor and the General Assembly. The Commission is also responsible for administering funds provided to the centers that are not governed by the University System of Maryland Board of Regents. Ms. Doyle referred the Committee members to page 23 of the meeting agenda book for a summary of the criteria to evaluate funding requests and establish guidelines for recommending State support for the centers. She stated that these guidelines also encourage all centers to continue to seek additional funds from outside entities such as local area businesses and support from their county government.

For FY 2004, the Regional Higher Education Centers are requesting a total of \$1.7 million. This amount includes \$100,000 for the HEAT Center, \$271,000 for Southern Maryland Higher Education Center, \$590,150 for the Waldorf Center which includes lease payments, and \$692,000 for the Eastern Shore Higher Education Center which is just opening this year. The Commission staff recommends a general fund appropriation of \$1.7 million for FY 2004.

### Maryland Higher Education Commission

Under general administration, the Commission is requesting a general fund appropriation of \$6.9 million for FY 2004. This includes a baseline request increase of \$143,000, which is for mandatory obligations such as cost of living adjustments and price increases for employee health insurance. Under grants, the Commission is requesting \$38.3 million for Educational Grants. An additional funding request of \$10.6 million will be submitted to support the implementation of the Office of Civil Rights agreement. Under Financial Aid, the Commission is requesting a general fund appropriation of \$94.7 million.

In summary, it is recommended that the Finance Policy Committee approve the FY 2004 consolidated operating budget of \$1.4 billion for higher education and forward the recommendation to the Commission.

Commissioner Streett opened the floor for questions or comments. Commissioner Slowinski congratulated the staff for doing an excellent job especially during a time when the State is experiencing a difficult financial situation. A discussion was held about the budget recommendations including the progress being made with regard to the recommendations put forth by the Office for Civil Rights as well as the importance of addressing the primary goals of the Commission to improve access and affordability. They also discussed the Regional Higher Education Centers; their purpose, issues they are facing, and how the Centers are funded.

Commissioner Perry moved to approve and forward the operating budget recommendation for \$1.4 billion to the full Commission. The motion was seconded by Commissioner Boughman and was carried unanimously.

## **FY 2004 CONSOLIDATED CAPITAL BUDGET**

Ms. Monica Randall, Director of Finance Policy, presented the FY 2004 consolidated capital budget request for Maryland's higher education institutions. The requests totaled \$371.9 million. Ms. Randall stated that after reviewing all of their requests, the staff recommends a consolidated capital budget of \$366.4 million. She highlighted portions of the key issues of the FY 2004 capital budget requests for each segment.

### University System of Maryland

The University System of Maryland has requested a total of \$204.8 million for 35 projects. Their supplemental request for \$28.7 million will be used to accelerate 12 projects. The staff recommends supporting the System's total budget request.

### Morgan State University

Morgan has requested \$66.6 million for eight projects. The majority of their request is for construction of the library. The staff recommends supporting seven of Morgan's projects. Ms. Randall stated that while the staff supports two capital projects, the Center for Built Environmental Studies and the Hospitality Management Complex, there are concerns about whether or not enrollment will be sufficient to substantiate these projects. MHEC staff plans to work closely with Morgan to reconcile projected enrollment in these programs.

Staff recommends that the Committee not consider Morgan's request for funds to design a new President's house. Research suggests that historically the State does not provide funds for this type of project, that institutions use other sources of revenue. Therefore, the staff recommendation for Morgan totals \$66.5 million.

### St. Mary's College of Maryland

St. Mary's is requesting \$22.9 million, the majority of which will be used to construct a new academic building that will house chemistry, psychology, and educational studies. Additionally, the building will address St. Mary's space deficiencies. The staff recommends supporting St. Mary's total request for \$22.9 million.

#### Baltimore City Community College

Baltimore City Community College is requesting \$18.6 million to modernize their main building on the Liberty Campus. The staff recommends supporting this project.

#### Independent Colleges and Universities

The Independent Colleges and Universities are requesting \$9.2 million to be used to construct and renovate facilities at Johns Hopkins, McDaniel College, Goucher, and Baltimore International College. Staff recommends supporting their request.

#### Community Colleges

The Maryland Association of Community Colleges is requesting \$49.5 million through the Community College Capital Grant Program to provide assistance for construction and improvements to the community college's facilities. These funds will be used to support 33 projects. \$8.7 million will be used to fund deferred capital projects from FY 2003.

Ms. Randall discussed the funds requested to plan and construct the Owings Mills Center at the Community College of Baltimore County. After obtaining further information about the project, staff has reconsidered the recommendation to defer. A letter was distributed to the Committee from the Baltimore County Executive about the project.

Dr. Irving McPhail, Chancellor of the Community College of Baltimore County, addressed the Committee concerning the importance of the Owings Mills project and introduced staff from the Baltimore County's Department of Economic Development, staff from RTKL, and members of the community. A presentation was made to the Committee about the importance of the project and the progress made to date.

Commissioner Slowinski moved to approve and forward the staff's capital budget recommendation for \$366.4 million to the Commission, which will include the Owings Mills project. He added that the staff should work with Morgan to provide more information on their enrollment projections in both the Center for Built Environmental Studies and the Hospitality Management Complex and present this information at the full Commission meeting in November. The motion was seconded and carried unanimously.

#### **ADJORNMENT**

The Finance Policy Committee meeting was adjourned at 4:07 p.m.



**MHEC**

*Creating a state of achievement*

Robert L. Ehrlich, Jr.  
Governor

Michael S. Steele  
Lt. Governor

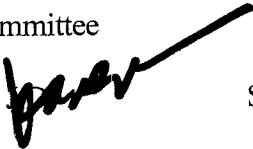
John J. Oliver, Jr.  
Chairman

Karen R. Johnson  
Secretary of Higher Education

M E M O R A N D U M

DATE: March 13, 2003

TO: Finance Policy Committee

FROM: Karen R. Johnson,  STAFF: David S. Beard

SUBJECT: FY 2005 Capital Budget Priorities

The statute creating the Maryland Higher Education Commission requires the Commission to develop guidelines to assess the adequacy of capital funding and make annual recommendations on the appropriate level of funding for higher education capital projects. As a result, the Commission annually establishes capital budget priorities, which provide a uniform framework within which individual capital project requests are recommended.

The capital budget priorities for fiscal 2005 remain unchanged from last year's priorities. Capital projects are ranked first by the Commission's eight priority categories and then further prioritized within each category by the types of facilities. Upon approval, the attached set of priorities will guide Commission staff in the evaluation of the FY 2005 capital budget requests and ultimately the Commission's annual capital budget recommendations to the Governor.

**RECOMMENDATION:** It is recommended that the Finance Policy Committee approve the FY 2005 Capital Budget Priorities for both two-year and four-year institutions and forward this recommendation to the Commission.

MARYLAND HIGHER EDUCATION COMMISSION

839 Bestgate Rd. • Suite 400 • Annapolis, MD 21401-3013

T 410.260.4500 • 800.974.0203 • F 410.260.3200 • TTY for the Deaf 800.735.2258 • [www.mhec.state.md.us](http://www.mhec.state.md.us)



# MARYLAND HIGHER EDUCATION COMMISSION

## CAPITAL BUDGET PRIORITIES

### FY 2005

Each year the Maryland Higher Education Commission approves a set of priorities to guide in the evaluation of capital budget requests. All capital projects are placed into one of the priority categories. The Capital Budget Priority Categories provide the basic framework for evaluating and recommending projects. Under the priorities, projects are ranked first by the priority category and further by types of facilities.

Project Priority Categories ▼	Types of Facilities			
	Academic Facilities	Research Facilities	Support Facilities <sup>1</sup>	Regional Higher Education Centers
I) Life Safety	Facilities that support the instructional programs essential to the approved role and mission of the institution.	Research facilities consistent with the approved role and mission of the institution.	Administration, physical plant space, and other support services.	Facilities that include participation by more than one institution and offer an array of programs at multiple degree levels.
II) Legal Mandates				
III) Project Completions				
IV) Renovation or Renewal of Existing Projects				
V) Improvements to Utility & Basic Support Services				
VI) New Construction				
VII) Site Improvements				
VIII) Land Acquisition				
				Continuing Education Facilities
				Facilities that address workforce training needs or offer programs that lead to certification in a workforce skill.

<sup>1</sup> To the extent possible, institutions are encouraged to seek non-public financing for revenue-generating facilities such as student housing, parking, bookstores, athletic facilities, and dining services.







**MHEC**

Creating a state of achievement

Robert L. Ehrlich, Jr.  
Governor

Michael S. Steele  
Lt. Governor

John J. Oliver, Jr.  
Chairman

Karen R. Johnson  
Secretary of Higher Education

MEMORANDUM

DATE: March 13, 2003

TO: Finance Policy Committee

FROM: Karen R. Johnson, JHEC

STAFF: Paula Fitzwater

SUBJECT: Revised Guidelines for Maryland GEAR UP Scholarship Program

Under the federal guidelines for "Gaining Early Awareness and Readiness for Undergraduate Program" (GEAR UP) state grants, state grantees must use a portion of their grant for a scholarship program. These scholarships are targeted for students currently participating in a GEAR UP program and for students who participated in a predecessor federal early intervention program to GEAR UP, the National Early Intervention Scholarship and Partnership (NEISP) program. NEISP targeted a population similar to that of GEAR UP. The federal guidelines recognized that at the outset of GEAR UP implementation, the GEAR UP cohorts were then in middle school and allowed the scholarship funds to first be available for former NEISP participants. In FY 2001, the Maryland GEAR UP management team developed guidelines for the administration of the Maryland GEAR UP Scholarship Program, which were approved by the Commission and were used to award \$600,000 in scholarships to former NEISP Maryland students pursuing higher education.

In 2002, the Maryland State Department of Education and the Maryland Higher Education Commission established a scholarship fund to hold grant funds in trust for the benefit of GEAR UP students. Beginning with the second year of the Maryland state grant, each grant year \$600,000 is put into a scholarship trust fund to provide scholarships for the GEAR UP students upon their graduation. The Maryland State Treasurer is holding the funds in an interest-bearing account. The interest will provide the funds to administer the scholarship.

This year, the Maryland GEAR UP student cohort entered the ninth grade. The GEAR UP students will graduate in the spring of 2006. Based on the experience gained in administering the scholarships to the former NEISP students, the Maryland GEAR UP Scholarship Program guidelines have been revised to facilitate the administration of the scholarships to the students in the GEAR UP cohort. The major changes to the guidelines include:

MARYLAND HIGHER EDUCATION COMMISSION

839 Bestgate Rd. • Suite 400 • Annapolis, MD 21401-3013

T 410.260.4500 • 800.974.0203 • F 410.260.3200 • TTY for the Deaf 800.735.2258 • [www.mhec.state.md.us](http://www.mhec.state.md.us)

- Requiring on an annual basis, the determination of an amount to be awarded from the trust fund;
- Capping the scholarship award amount for private two-year and four-year and out-of-state colleges;
- Requiring that institutions certify student eligibility information, the order financial aid will be awarded, and the cost of attendance;
- Changing the required participation in Maryland GEAR UP from three years to one year due to the unanticipated mobility of the GEAR UP cohort as they moved from middle school to high school;
- Requiring a student signature on a drug-free pledge; and
- Establishing March 1 as the priority deadline for scholarship application.

**RECOMMENDATION:** It is recommended that the Finance Policy Committee approve the revised guidelines for the Maryland GEAR UP Scholarship Program and forward this recommendation to the Commission.

**Maryland Higher Education Commission**

**Office of Grants**

**Guidelines**

**for**

**Maryland GEAR UP Scholarship Program**

**APPROVED: JUNE 12, 2001**

**REVISED AND SUBMITTED: MARCH 13, 2003**



**APPROVED: June 12, 2001**  
**REVISED AND SUBMITTED: March 13, 2003**

**Maryland Higher Education Commission**  
**Office of Grants**

**Guidelines for Maryland GEAR UP Scholarship Program**

**A. PURPOSE**

The **Maryland GEAR UP Scholarship Program** is to provide funding to full- or part-time students who have participated in an early intervention program funded under the Maryland "Gaining Early Awareness and Readiness for Undergraduate Program" (GEAR UP) state grant. The purpose of the GEAR UP Program is to prepare and motivate low-income middle and high school students to participate and succeed in postsecondary education and to assist them in paying the expenses associated with college.

**B. ELIGIBILITY**

To receive a GEAR UP scholarship, a student must:

1. Be less than 22 years old at the time of the first scholarship award;
2. Receive a secondary school diploma or its recognized equivalent on or after January 1, 1993;
3. If an independent student, be a Maryland resident according to the institution's state residency policy. If a dependent student, have parent(s) or legal guardian(s) who are Maryland residents according to the institution's state residency policy;
4. Be enrolled or accepted for enrollment full-time or part-time in a program of undergraduate instruction at a two-year or four-year public or private institution of higher education that awards associate degrees and/or baccalaureate degrees;

Full-time enrollment is defined as a minimum of 12 semester credit hours. Part-time enrollment is defined as a minimum of 6 semester credit hours.

5. Have participated for at least one academic year in GEAR UP at one of the ten Maryland State GEAR UP sites: Academic Champions of Excellence GEAR UP; Baltimore Educational Scholarship Trust (BEST) GEAR UP; First Generation College Bound, Inc. GEAR UP; Southern Maryland GEAR UP, Western Maryland GEAR UP; Baltimore City GEAR UP; Baltimore County GEAR UP; Garrett County GEAR UP; Prince George's County GEAR UP; Somerset County GEAR UP;

6. File the Free Application for Federal Student Aid (FAFSA) and a Maryland GEAR UP scholarship application;
7. Make satisfactory academic progress in accordance with the standards of the institution he/she is attending; and
8. Pledge to refrain from illegal drug use for the full term of the scholarship award. Unlawful use of drugs and alcohol may endanger enrollment in a Maryland college as well as the GEAR UP scholarship award.

#### **C. DISTRIBUTION OF FUNDS AND PRIORITY OF AWARDS**

Although the Maryland GEAR UP scholarships are not considered to be need-based scholarships because the primary criteria is participation in the Maryland GEAR UP program, first priority will be given to students who will receive a Federal Pell Grant for the academic year for which the scholarship is awarded.

If GEAR UP scholarship funds remain after awarding Federal Pell Grant recipients, other eligible GEAR UP applicants will be ranked according to need and funded in order of need.

On an annual basis, the Maryland Higher Education Commission will determine an amount to be awarded from the Trust Fund for GEAR UP scholarships.

Scholarship funding is contingent on the availability of funds through Maryland GEAR UP, a federal grant from the U.S. Department of Education funded by annual appropriations. Should federal funds not be renewed for this program, the Maryland Office of Student Financial Assistance will work with the students to identify alternative scholarship support.

#### **D. APPLICATION PROCEDURES**

For priority consideration, applications and the FAFSA should be submitted by March 1 each year. Applications received after the deadline will be considered as long as funds remain available. The student is required to file a FAFSA and complete a Maryland GEAR UP Scholarship application form.

#### **E. AWARD AMOUNT**

The award amount, combined with other grants and scholarship awards the student receives, may not exceed the total cost of attendance (cost of education), calculated by the institution as required by the federal regulations under Title IV, Part A of the Higher Education Act, as amended.

The maximum award amounts for full-time students are as follows:

<u>College Type</u>	<u>Maximum Award</u>
Maryland Public Four-Year College/University	Up to the total cost of attendance
Maryland Public Community College	Up to the total cost of attendance
Maryland Private Four-Year College/University	Up to the cost of attendance at the highest priced University System of Maryland campus excluding the University of Maryland University College and University of Maryland, Baltimore
Maryland Private Two-Year College	Up to the cost of attendance at the highest priced Maryland public community college
Out-of-State College/University	Up to the cost of attendance at the highest priced University System of Maryland campus excluding the University of Maryland University College and University of Maryland, Baltimore

Depending on the availability of funds, for full-time students the minimum amount of the award will be the maximum Federal Pell Grant award for the year in which the scholarship is received, as long as the total cost of education is not exceeded.

For students attending less than full-time, the scholarship award will be reduced proportionately.

#### **F. RENEWAL AND CONTINUATION**

Awards are made for one year and may be renewed for each school year up to six years provided the recipient files for each renewal year both a completed FAFSA and a Maryland GEAR UP Scholarship Renewal Application Form, remains in good standing, and makes satisfactory progress toward the award of a degree or certificate in accordance with the standards of the institution he/she is attending. Renewal is contingent upon the continuation of federal funding for the Maryland GEAR UP program and availability of funds.

#### **G. CERTIFICATION AND PAYMENT**

Payment is made for each semester directly to the institution the applicant is attending. At the beginning of each school term, the institution is asked to certify that the order of awards meets federal GEAR UP criteria and that the student is eligible based on the

criteria listed below and to indicate the cost of attendance, the amount of Federal Pell Grant award, and other financial assistance received by the student.

1. As per the *Federal Register*, Vol. 65, No. 82, Thursday, April 27, 2000, *Rules and Regulations (34 CFR Part 694)*, a GEAR UP scholarship will be awarded after the Federal Pell Grant and any aid offered through public or private institutions or the State (excluding loans and work study programs). For a student to be eligible for a GEAR UP scholarship award, the institution must certify that financial aid will be awarded as follows:
  - a. Federal Pell grant;
  - b. Public or private grants, scholarships, or tuition discounts;
  - c. GEAR UP scholarship; and then
  - d. Any other financial assistance, such as loans or work study.
2. Student eligibility:
  - a. The student must be a Maryland resident according to the institution's state residency policy. If the student is dependent, parents must also be Maryland residents according to the institution's state residency policy;
  - b. The student must have filed a FAFSA; and
  - c. The student must make satisfactory academic progress in accordance with the standards of the institution he/she is attending.

To change the preceding order of awarding a GEAR UP scholarship recipient's financial aid, the Maryland Higher Education Commission must:

1. Determine and document in writing that there are exceptional circumstances related to the GEAR UP student's aid that are unique to that GEAR UP student;
2. Document and maintain in the GEAR UP student's file the modification that was made to the GEAR UP student's award package and the reason for the modification; and
3. Provide written notification to the GEAR UP student of the reason for and the specific modification that was made to the package.

In the event that the order of awarding certification is refused by or not received from the institution, MHEC will inform the GEAR UP student that he or she will not receive the GEAR UP scholarship to attend that institution. The student is free to attend the



institution without the GEAR UP scholarship or another institution that orders aid consistent with federal requirements for the GEAR UP scholarship.

Upon receipt of the institution's certification, funds will be disbursed to the institution to be credited to the student's account. Should the student fail to enroll or otherwise become ineligible for the award, the institution shall return the unused Maryland GEAR UP scholarship funds to the Maryland Higher Education Commission.





**MHEC**

Creating a state of achievement

Robert L. Ehrlich, Jr.  
Governor

Michael S. Steele  
Lt. Governor

John J. Oliver, Jr.  
Chairman

Karen R. Johnson  
Secretary of Higher Education

MEMORANDUM

DATE: March 13, 2003

TO: Finance Policy Committee

FROM: Karen R. Johnson, J.E.C.  STAFF: Lindsay A. Albert  
Dr. Michael J. Keller

SUBJECT: Survey of Maryland Teacher Scholarship Recipients

Maryland, like many other states, faces a shortage of qualified applicants for teaching positions. The State is projected to need 8,361 new teachers in 2003-2004, but less than half of all beginning teachers hired by Maryland public schools in the past year received their preparation in the State. Among the incentives that Maryland has offered to increase the number of citizens who become teachers, particularly in critical shortage fields, are three scholarship programs: Maryland Teacher Scholarship Program, Sharon Christa McAuliffe Memorial Teacher Education Tuition Assistance Program, and Distinguished Scholar Program – Teacher Education Scholarships.

The Commission staff conducted a study of the impact of these scholarship programs in persuading students to enter and remain in the teaching profession. Questionnaires were mailed to six groups of students in each of the scholarship programs:

- Students who accepted the award and are currently participating in the program.
- Students who were offered the award but did not accept it.
- Students who voluntarily gave up the award after having received it for a period of time.
- Students who received the full amount of the award but decided to pay back the money rather than take a teaching job after graduation.
- Current teachers who benefited from the program.
- Individuals who took teaching jobs after graduation but quit before fulfilling their service obligation.

Questionnaires were mailed to all 3,603 persons who fit the above categories. Of these, 52 questionnaires were returned as undeliverable. Usable responses were received in time for analysis from 2,015 individuals for a participation rate of 57

MARYLAND HIGHER EDUCATION COMMISSION

839 Bestgate Rd. • Suite 400 • Annapolis, MD 21401-3013

T 410.260.4500 • 800.974.0203 • F 410.260.3200 • TTY for the Deaf 800.735.2258 • [www.mhec.state.md.us](http://www.mhec.state.md.us)

percent. Maryland Teacher Scholarship recipients represented a large majority of both those surveyed and the respondent group. For all three scholarship programs, most of those answering the survey belonged to one of two categories: students who accepted the award and are currently taking part in the program and current teachers who benefited from the scholarship.

**While the scholarships do not appear to have had great impact on the career decision of most prospective teachers, an overwhelming majority of the currently-employed teachers who had benefited from these financial aid programs indicated that they intended to continue teaching in Maryland after fulfilling their service obligation.**

These are highlights of the survey findings:

- Asked why they chose to accept the Maryland Teacher Scholarship, a substantial majority of the recipients indicated that they had already planned to become a teacher (92 percent) and/or that they needed the money (75 percent). There were similar responses from students who were currently participating in the other two scholarship programs.
- Half of the recipients of the Maryland Teacher Scholarship stated that the award had no impact on their decision to pursue a career in teaching; just 15 percent said that it had a great deal of influence. Slightly more than one-fourth of the participants in the Distinguished Scholar Teacher Program stated that it had a strong influence on their decision, as did 42 percent of those who took part in the McAuliffe Tuition Assistance Program.
- A large majority of the recipients of the three scholarships expressed satisfaction with the programs and planned to continue with them.
- Nearly all of the teachers who received the three types of financial assistance reported that they planned to continue to teach once they completed their service obligation. In addition, a very substantial majority of these teachers indicated that they intend to remain in Maryland: 96 percent of the recipients of the Maryland Teacher Scholarship, 88 percent of the participants in the McAuliffe program, and 73 percent of those who received a Distinguished Scholar – Teacher award. All of the teachers who had gotten tuition assistance from McAuliffe stated that they would continue to teach in a critical shortage area in Maryland.
- Students who declined the offer of a Maryland Teacher Scholarship most often cited the service obligation, uncertainty about teaching, and a possible conflict with their total financial aid package as the most important reasons for their action. Students who gave up the Scholarship after having received it for a period of time most frequently mentioned career choices, a change in residency, the service obligation,

and prior graduation as the most important factors in their decision. Students who received the full amount of the award but decided to pay back the money rather than take a teaching job after graduation indicated that they took part-time positions or ones with a non-public school.

- Of those students who indicated that actions could have been taken to persuade them not to decline, give up, or pay back the Maryland Teacher Scholarship, many suggested a more clear explanation about the effect of the award on the total financial aid package, the extension of scholarship eligibility to Maryland residents attending out-of-state institutions yet willing to fulfill the in-state service requirement, changes in the length of the service obligation, and revisions in scholarship application deadlines and timing.

Policy issues arising from the study:

**The goal of the three scholarship programs to recruit teachers, particularly those in critical shortage areas, to Maryland schools is being achieved.**

A large majority of the current teachers who benefited from the three scholarships indicated that they intend to continue teaching in Maryland after completing their service obligations. Despite the many students who indicated that they would have pursued a teaching career even if they had not received the scholarships, it is unlikely that all of them would have taken a position in Maryland or would have even remained in the profession without the service obligation.

**There may be ways to reduce the number of students who refuse to accept or voluntarily give up a scholarship or who decide to forego the service obligation once having received the award.**

A large percentage of these students stated that they could have been persuaded to do otherwise if certain actions had been taken. While some of these would require legislative changes to the programs, others could be handled administratively.

**RECOMMENDATION: It is recommended that:**

- **The Commission staff conduct a similar survey of the recipients of the Maryland State Nursing Scholarship Program and share the results with the Finance Policy Committee; and**
- **The Scholarship staff investigate whether changes in administrative procedures can be taken to reduce the number of students who turn down, give up or pay back a scholarship and to share their conclusions with the Finance Policy Committee.**





**MHEC**

*Creating a state of achievement*

Robert L. Ehrlich, Jr.  
Governor

Michael S. Steele  
Lt. Governor

John J. Oliver, Jr.  
Chairman

Karen R. Johnson  
Secretary of Higher Education

M E M O R A N D U M

DATE: March 13, 2003

TO: Finance Policy Committee

FROM: Karen R. Johnson, J.E. *[Signature]* STAFF: David S. Beard

SUBJECT: Community College Capital Grant Program: State and Local Cost-Sharing Formula

The Community College Capital Grant Program provides State assistance for the construction and improvement of facilities at community colleges. This grant funds the construction of major new facilities, renovation of existing facilities, and improvements to campus infrastructure. In addition, the grant provides funds for the ongoing expansion of Montgomery College – Takoma Park; the systematic renovation of buildings constructed in the 1960s, the improvement of existing infrastructure, and the installation of modern telecommunications infrastructure.

The level of State participation in capital projects for the community colleges is determined by two criteria: the portion of the project that meets the space eligibility requirements for State support; and the State and local cost-sharing formula prescribed in statute and calculated by the Maryland State Department of Education (MSDE). MSDE uses this cost-sharing formula to calculate the State's share in providing financial assistance for public education. The formula is based on a current expense calculation that considers the enrollment of students in elementary and secondary schools and county wealth (e.g., net taxable income; the assessed valuation of real property and; the assessed value of personal property).

Based on this cost-sharing formula, the State contributes between 50 percent and 70 percent of the eligible costs of a project for the community colleges and 75 percent of the eligible costs of a project for regional community colleges. The table below shows the percentage of State share for the FY 2005 community college capital projects.

MARYLAND HIGHER EDUCATION COMMISSION

839 Bestgate Rd. • Suite 400 • Annapolis, MD 21401-3013

T 410.260.4500 • 800.974.0203 • F 410.260.3200 • TTY for the Deaf 800.735.2258 • [www.mhec.state.md.us](http://www.mhec.state.md.us)

**Table 1. Community College Capital Grant Program: Percentage of State Share:  
FY 2005**

Allegany College of Maryland	69.3%	Garrett College	59.8%
Anne Arundel Community College	50.0%	Hagerstown Community College	58.9%
Carroll Community College	58.6%	Harford Community College	58.6%
Cecil Community College	63.8%	Howard Community College	50.0%
Chesapeake College (Regional)	75.0%	Montgomery College	50.0%
College of Southern Maryland (Regional)	75.0%	Prince George's Community College	63.0%
Community College of Baltimore County	50.0%	Wor-Wic Community Col. (Regional)	75.0%
Frederick Community College	57.2%		

Source: Maryland State Department of Education, FY 2003 State Aid Calculations Report

**RECOMMENDATION:** This item is for information only.





**MHEC**

*Creating a state of achievement*

**Robert L. Ehrlich, Jr.**  
Governor

**Michael S. Steele**  
Lt. Governor

**John J. Oliver, Jr.**  
Chairman

**Karen R. Johnson**  
Secretary of Higher Education

MEMORANDUM

DATE: March 13, 2003

TO: Finance Policy Committee

FROM: Karen R. Johnson, 

STAFF: Monica E. Randall

SUBJECT: Report on the Innovative Partnerships for Technology Program

The Innovative Partnerships for Technology Program (IPT) provides State-matching funds for donations from the private sector or public foundations for the technology needs of eligible community colleges. Community colleges may receive contributions in the form of cash or non-cash donations. All donations must be earmarked specifically for technology. Contributions earmarked specifically for technology are matched by the State, dollar-for-dollar, up to \$700,000 per eligible institution over the grant period (fiscal 1999 to fiscal 2006).

As required by statute, the Maryland Higher Education Commission must submit to the Governor and General Assembly an annual report on the Innovative Partnership for Technology (IPT) program. The following report summarizes the eligible donations received between fiscal 1999 and 2002 and examines the impact of this program on the technology resources available to the community colleges.

**RECOMMENDATION: This item is for information only.**



**REPORT ON THE INNOVATIVE PARTNERSHIPS  
FOR TECHNOLOGY PROGRAM**

**March 2003**



## **BACKGROUND**

The Innovative Partnerships for Technology Program (IPT) provides State-matching funds for donations from the private sector or public foundations for the technology needs of eligible community colleges. Community colleges may receive contributions in the form of cash or non-cash donations. All donations must be earmarked specifically for technology. The purpose of the program is to enhance the technology resources available to the community colleges and to leverage private and foundation support through the use of State matching funds. This program attempts to address the burgeoning demands for technology at the community colleges, which must develop and sustain strong technological infrastructures, services and training vital to continue their role for academic and professional success. As community colleges work to develop new business alliances and working partnerships, as well as new technology endowments, contributions earmarked specifically for technology are matched by the State, dollar-for-dollar, up to \$700,000 per eligible institution over the grant period (fiscal 1999 to fiscal 2006).

Chapters 600 and 601, Acts of 1998 initially established the IPT program. Under this program, the State agreed to match a maximum of \$400,000, which was broken down into two \$200,000 increments over a four-year period (fiscal 1999 to fiscal 2002) for each community college. This initial four years of the IPT program was a great success with all but one eligible institution achieving the maximum State match. The State is required to pay the match in the second fiscal year following the eligible donation. Fiscal 2003 is the third year in which donations up to \$200,000 must be matched by the State and fiscal 2004 will be the fourth and final year for providing State-matching grants under Chapters 600 and 601. Between fiscal 1999 and fiscal 2002, eligible donations totaled \$8.7 million however, due to the State's current fiscal situation, full funding of this program has been deferred to future years. Only \$5.5 million of the \$8.7 million in State matching payments have been made, with the remaining \$3.3 million deferred (Table I).

In 2002, the General Assembly passed legislation, which extended the eligibility period of the IPT program for four additional fiscal years and changed the maximum State match amount (Chapter 413, Acts of 2002). With the modification and extension of this program, the State has agreed to match a maximum of \$300,000, which is broken down into two \$150,000 increments over a four-year period (fiscal 2003 to fiscal 2006) for each community college. Once again, the State is required to pay this match in the second fiscal year following the eligible donation. Therefore, fiscal 2005 will be the first year in which donations up to \$150,000 must be matched and fiscal 2008 will be the fourth and final year for providing State-matching grants under Chapter 413.

## **ELIGIBLE DONATIONS**

For a donation to be considered eligible, it must be made by an eligible donor and designated for technology, which is defined under statute as "any hardware, software, communication infrastructure, associated training, and contracted services that enable local or global presentation, exchange, and transmission of information in digital or analog form for teaching, learning, student support services and administration. The definition of technology includes

capital expenditures but does not include staff.” Any individual, private or public foundation (including the affiliated foundation of a community college), non-profit organization, or business may be an eligible donor. However, no local, State, federal or foreign government entity can be an eligible donor. Donations of equipment are assessed at fair market (monetary) values by an independent evaluator. Given the expense of upgrading old equipment and of making different systems compatible, a campus has the right to refuse equipment on a case-by-case basis.

## **IMPACT OF THE PROGRAM**

The community college campuses participating in IPT report that the program has had an immediate impact on their institutions, accruing both short-term and long-term benefits to instruction, student services, and administration. It is clear that the IPT Program acts as a catalyst for developing community partnerships that will remain an important part of the institutions’ efforts to keep up with the demand for rapidly evolving instructional and administrative technology. In general, the colleges focused their efforts first on instructional technology to benefit students directly. More specifically, they note the following program benefits:

- New curricular programs for workforce development generated by college-corporate partnerships;
- Increased communication between the community colleges and area organizations, resulting in curricular innovation, new instructional sites, and technology advisory boards;
- New and upgraded computer labs for students;
- New instructional equipment and software for faculty and students, including specialized software and equipment for mathematics, electronics, manufacturing, nursing, and allied health;
- The addition of “smart classrooms,” which are equipped with multimedia instructional;
- The creation of technology endowments to support current and future technology needs;
- Improved administrative computing, including better software for tracking enrollment and providing student services; and
- Servers and software to enhance or allow online courses and related means of distance learning.

Maryland community colleges have received donations from national and regional corporations, local businesses, foundations, and individuals. These contributions came in the form of:

- Cash, including funds earmarked for technology endowments;
- Donated installation, consulting, and maintenance services;
- Price discounts on hardware and software; and
- Donated software and hardware and other equipment.

Though significant technology needs persist, overall the IPT Program is a public-private endeavor that has provided markedly improved technology to Maryland community colleges and

has been instrumental in forging new means of addressing the technology needs of the community colleges.

Although participation in this program has been outstanding, the community colleges have expressed their concerns regarding the timing of State-matching payments. In general, fiscal constraints have led the State to defer its matching obligations. As previously mentioned, only \$5.5 million of the \$8.7 million in State matching payments for phase I of this program have been made and the remaining \$3.3 million has been deferred. Many institutions are concerned that with the continued delay of these payments donors may be apprehensive of making significant contributions until the State matches its previous commitments.





**Table I. Innovative Partnerships For Technology  
Donations and Eligible Match: FY 1999 to FY 2002 (Phase I)**

Institution	FY 1999-2000 Eligible Match	Eligible Donations		Total Donations 2nd Eligible Period	State Payment		Total Payments	Balance Due
		FY 2001	FY 2002		FY 2001	FY 2002		
Allegany College of Maryland	\$ 200,000	\$ 112,750	\$ 88,707	\$ 200,000	\$ 96,280	\$ 82,934	\$ 87,787	\$ 132,999
Anne Arundel Community College	200,000	106,957	275,550	200,000	-	65,581	158,681	224,262
Baltimore City Community College	200,000	145,897	54,103	200,000	92,032	82,169	111,559	285,759
Carroll Community College	200,000	46,977	90,276	137,252	113,892	86,108	-	114,241
Cecil Community College	200,000	10,000	249,505	200,000	113,892	86,108	6,574	137,252
College of Southern MD--Calvert Co./Prince Frederick	200,000	65,499	134,501	200,000	99,086	83,440	54,547	193,426
College of Southern MD--Charles Co./Waldorf/La Plata	200,000	200,000	-	200,000	113,892	86,108	131,480	162,928
College of Southern MD--St. Mary's Co./Leonardtown	200,000	136,953	63,047	200,000	113,892	86,108	90,033	68,520
Chesapeake College	200,000	130,015	79,304	200,000	23,437	69,805	155,655	109,967
Community College of Baltimore Co.--Catonsville	200,000	123,533	89,011	200,000	113,892	86,108	81,211	151,103
Comm. Coll. of Baltimore Co.--Dundalk	200,000	70,872	144,447	200,000	102,090	83,981	55,748	118,789
Comm. Coll. of Baltimore Co.--Essex	200,000	123,533	131,011	200,000	109,227	85,268	84,831	158,181
Frederick Community College	200,000	10,673	204,996	200,000	107,195	84,901	12,212	279,325
Garrett College	200,000	44,250	165,522	200,000	62,242	76,799	69,165	204,309
Hagerstown Community College	200,000	44,235	308,720	200,000	113,892	86,108	29,080	208,206
Harford Community College	200,000	48,911	229,612	200,000	31,687	71,292	95,936	229,080
Howard Community College	200,000	55,128	144,872	200,000	20,225	69,227	108,916	198,915
Montgomery College--Germantown	200,000	200,000	-	200,000	27,756	70,584	198,312	198,368
Montgomery College--Rockville	200,000	200,000	-	200,000	-	65,581	219,847	296,652
Montgomery College--Takoma Park	200,000	50,300	190,114	200,000	113,892	86,108	33,067	114,571
Prince George's Community College	200,000	12,500	232,606	200,000	87,374	81,329	28,792	233,067
Wor-Wic Community College	200,000	200,000	-	200,000	104,130	84,349	139,054	166,933
<b>Total</b>	<b>\$ 4,400,000</b>	<b>\$ 2,138,983</b>	<b>\$ 2,875,903</b>	<b>\$ 4,337,252</b>	<b>\$1,760,000</b>	<b>\$1,760,000</b>	<b>\$1,952,488</b>	<b>\$ 5,472,488</b>
								<b>\$3,264,764</b>

Note: For Phase I, the first eligible period consists of FY 1999 and FY 2000 and the second eligible period consists of FY 2001 and FY 2002.  
Source: Maryland Higher Education Commission





**MHEC**

*Creating a state of achievement*

**Robert L. Ehrlich, Jr.**  
Governor

**Michael S. Steele**  
Lt. Governor

**John J. Oliver, Jr.**  
Chairman

**Karen R. Johnson**  
Secretary of Higher Education

MEMORANDUM

DATE: March 13, 2003

TO: Finance Policy Committee

FROM: Karen R. Johnson, J.E.

STAFF: Monica E. Randall

SUBJECT: Report on the Private Donation Incentive Program

The Private Donation Incentive Program (PDIP) provides State-matching funds to promote private fundraising within Maryland's public colleges and universities and to encourage public institutions of higher education to increase the public's level of gifts and donations to the institution's endowments. Since the reauthorization of this program in fiscal 1999, Maryland's public colleges and universities have raised over \$37.6 million from private sources and claimed over \$16.5 million in eligible matching funds.

As required by statute, the Maryland Higher Education Commission must submit to the Governor and General Assembly an annual report on this program. The following report summarizes the total donations received between fiscal 1999 and fiscal 2002.

**RECOMMENDATION:** This item is for information only.



## **REPORT ON THE PRIVATE DONATION INCENTIVE PROGRAM**

**March 2003**



## **BACKGROUND**

The Private Donation Incentive Program (PDIP) provides State-matching funds to promote private fundraising within Maryland's public colleges and universities and to encourage public institutions of higher education to increase the public's level of gifts and donations to the institution's endowments. First created by the General Assembly in 1990 for a seven-year period, the State provided matching funds for donations made to the endowments of public institutions and their affiliated foundations. By the end of the seven-year program, the endowments of these institutions increased \$47 million; \$34 million of which came from private donations and \$13 million from State matching funds. Prior to the establishment of this program, most community colleges did not have foundations, endowment accounts, or an organized approach to fund raising. Several community colleges credit this program with enabling them to establish endowment accounts and providing them with an opportunity to develop fund raising procedures.

In 1999, the General Assembly reauthorized the program for an additional six-year period for eligible institutions. The grant period began in fiscal 1999 and with the exception of the State's historically black institutions, all donation payments must be made by June 30, 2004. Since its reauthorization, the General Assembly has made several modifications to this program. As part of the implementation of the State's agreement with the U.S. Department of Education, Office for Civil Rights, the 2001 General Assembly extended the eligibility period for Maryland's historically black institutions (to January 2006) and increased the maximum payments to \$1.5 million. During the 2002 Maryland Legislative Session, the General Assembly passed legislation that increased to \$1.25 million the maximum State match for eligible donations made to the University of Maryland Baltimore County.

## **ELIGIBLE DONATIONS**

The State will match only donations designated as endowment gifts. In addition, donations must be made and used solely for academic purposes consistent with the role and mission of the institution as approved by the Maryland Higher Education Commission. Under this program, fiscal 1998 is the base year against which all future contributions are compared for eligibility for the State match. New donor contributions are eligible in full and for repeat donors, the eligible contribution is that portion of the donation that is the increase over the donation given in the base year.

PDIP provides the following State matching ratio for dollars raised by the community colleges and the State's traditionally white institutions and/or their foundations (State funds: Donation funds):

1:1	First \$250,000, or any portion thereof;
1:2	Next \$1,000,000, or any portion thereof; and
1:3	Next \$1,250,000.

For donations made at Maryland's historically black institutions after July 1, 2001 (i.e., fiscal 2002), the State provides a 2:1 match for the first \$250,000 and a 1:1 match for the next \$1 million. Table 1 below shows the maximum State funds allowed over the course of the program for Maryland's public colleges and universities.

**Table 1. Maximum State Matching Funds**

\$250,000	Community Colleges
\$1,500,000	Bowie State University
	Coppin State College
	University of Maryland Eastern Shore
	Morgan State University
\$1,250,000	University of Maryland, College Park
	University of Maryland, Baltimore
	University of Maryland Baltimore County
\$750,000	Remaining Eligible Institutions

## **CURRENT STATUS OF THE PROGRAM**

Between fiscal 1999 and fiscal 2002, Maryland's public colleges and universities raised over \$37.6 million from private sources and claimed \$16.5 million in eligible matching funds. However, due to budget limitations, full funding for this program has been deferred. Only \$4.8 million of the \$16.5 million in State matching payments have been made with the remaining \$11.7 million deferred to future years (Table II).

Overall, institutions contend that this program has had a significant impact in attracting donors, providing scholarship funds, and building capacity to ensure the continuation of successful campus academic programs. For example, in some cases, the impact of PDIP on the community college campuses has been extraordinary. Among the community college campuses that participate in this program, 17 of the 22 campuses have met the maximum State match (**Figure 1**). Several colleges have received substantial cash donations. Furthermore, many of community colleges note that this program has allowed them to substantially increase the number of endowed scholarships.

PDIP is also an important fundraising tool for Maryland's historically black institutions. Overall, the HBIs have raised over \$5.3 million from private sources and Morgan State University is the only HBI that has met the maximum State match (**Figure 2**).

This program is also a success among the State's other four-year public institutions. All of the research institutions (the University of Maryland, Baltimore; the University of Maryland, Baltimore County, and the University of Maryland, University College) have met the maximum State match and raised over \$14 million (**Figure 3**). Among the State's other eligible four-year public institutions, four of the six institutions in this category have met the maximum State match and raised over \$10 million from private sources (**Figure 4**).



**Table II. Private Donation Incentive Program (PDIP) Summary: FY 1999 to FY 2002**

Maximum State Match	Colleges and Universities	Cash Donations Received				Total Cash		Eligible State		State Payments		Total State	
						Donations	Match						
		FY 1999	FY 2000	FY 2001	FY 2002			FY 2001	FY 2002	Payments	Balance Due		
\$	250,000 Allegany	167,885	\$ 28,020	\$ 56,642	\$ -	\$ 252,547	\$ 250,000	\$ 132,634	\$ 35,251	\$ 167,885	\$ 82,115		
	250,000 Anne Arundel	65,370	123,379	64,341	97,536	350,626	250,000	51,644	13,726	65,370	184,630		
	250,000 Baltimore City	-	4,300	32,680	84,856	121,836	121,836	-	-	-	121,836		
	250,000 Carroll	60,501	31,087	73,595	57,617	222,800	222,800	47,797	12,704	60,501	162,299		
	250,000 Cecil	20,508	131,467	51,034	89,075	292,084	250,000	16,202	4,306	20,508	229,492		
	250,000 Chesapeake	44,536	55,763	149,701	-	250,000	250,000	35,185	9,351	44,536	205,464		
	250,000 CCBC-Catonsville	-	-	146,023	71,169	217,192	217,192	-	-	-	217,192		
	250,000 CCBC-Dundalk	15,825	40,886	54,364	107,599	218,674	218,674	12,502	3,323	15,825	202,849		
	250,000 CCBC-Essex	9,660	81,078	116,673	250,000	457,411	250,000	60,777	16,153	76,930	250,000		
	250,000 CSM-Calvert	76,930	123,024	21,167	5,100	226,221	226,221	125,089	33,246	158,335	149,291		
	250,000 CSM-Charles	158,335	77,159	41,264	-	276,758	250,000	60,777	16,153	76,930	173,070		
	250,000 CSM-St Mary's	76,930	149,417	21,167	5,100	252,614	250,000	19,175	5,096	24,271	225,729		
	250,000 Frederick	22,345	141,321	111,580	-	275,246	250,000	-	-	-	250,000		
	250,000 Garrett	-	226,380	21,120	2,600	250,100	250,000	101,455	26,964	128,419	121,581		
	250,000 Hagerstown	128,419	176,419	188,877	196,672	690,387	250,000	22,192	5,898	28,090	221,910		
	250,000 Harford	28,090	224,845	221,959	289,332	764,226	250,000	33,849	8,996	42,845	207,155		
	250,000 Howard	42,845	84,767	122,426	-	250,038	250,000	24,240	6,442	30,682	219,318		
	250,000 Montgomery CC-Germantown	30,682	107,476	114,608	-	252,766	250,000	197,507	52,493	250,000	-		
	250,000 Montgomery CC-Rockville	1,647,456	-	-	-	1,647,456	250,000	50,338	13,379	63,717	186,283		
	250,000 Montgomery CC-Takoma Park	63,717	64,909	151,322	-	279,948	250,000	42,459	11,284	53,743	196,257		
	250,000 Prince George's	53,743	44,375	109,752	54,600	262,470	250,000	61,678	16,393	78,071	171,929		
	250,000 Wor-Wic	91,735	173,655	-	-	265,390	250,000	-	-	-	-		
\$	5,500,000 Sub-Total Community Colleges	2,805,512	\$ 2,089,727	\$ 1,870,295	\$ 1,311,257	\$ 8,076,791	\$ 5,256,723	\$ 1,095,500	\$ 291,158	\$ 1,386,658	\$ 3,870,065		
Historically Black Institutions													
\$	1,500,000 Bowie State University	16,440	\$ 72,830	\$ 34,242	\$ 43,734	\$ 167,246	\$ 210,980	\$ 13,989	\$ 2,451	\$ 16,440	\$ 194,540		
	1,500,000 Coppin State College	126,800	239,310	122,857	326,000	814,967	945,484	107,896	18,904	126,800	818,684		
	1,500,000 Morgan State University	134,179	400,029	1,810,168	1,125,390	3,469,766	1,500,000	114,175	20,004	134,179	1,365,821		
	1,500,000 UM Eastern Shore	246,322	54,059	138,733	370,670	809,784	965,227	209,598	36,724	246,322	718,905		
\$	6,000,000 Sub-Total HBI's	523,741	\$ 766,228	\$ 2,106,000	\$ 1,865,794	\$ 5,261,763	\$ 3,621,691	\$ 445,658	\$ 78,083	\$ 523,741	\$ 3,097,950		
\$	750,000 Frostburg State University	-	\$ 723,138	\$ 973,823	\$ 504,308	\$ 2,201,269	\$ 750,000	\$ 138,595	\$ -	\$ -	\$ 750,000		
	750,000 St. Mary's College of Maryland	162,878	816,897	1,455,080	-	2,434,855	750,000	-	-	162,878	587,122		
	750,000 Salisbury University	-	18,750	190,000	205,000	413,750	331,875	-	-	-	331,875		
	750,000 Towson University	297,251	386,255	483,547	589,354	1,756,407	750,000	232,831	40,794	273,625	476,375		
	750,000 University of Baltimore	444,038	451,813	1,532,047	-	2,427,898	750,000	295,283	51,736	347,019	402,981		
	750,000 UM University College	135,114	233,750	275,244	240,641	884,749	567,375	114,970	20,144	135,114	432,261		
\$	4,500,000 Sub-Total Four-Year Institutions	1,039,281	\$ 2,630,603	\$ 4,909,741	\$ 1,539,303	\$ 10,118,928	\$ 3,899,250	\$ 781,679	\$ 136,957	\$ 918,636	\$ 2,980,614		
Research Institutions													
\$	1,250,000 UM, Baltimore	753,856	\$ 967,682	\$ 1,085,433	\$ -	\$ 2,806,971	\$ 1,250,000	\$ 134,512	\$ 307,885	\$ 442,397	\$ 807,603		
	1,250,000 UM Baltimore County	543,650	1,001,700	3,165,077	2,345,904	7,056,331	1,250,000	337,663	59,162	396,825	853,175		
	1,250,000 UM, College Park	2,770,396	1,474,269	-	-	4,244,665	1,250,000	334,988	766,755	1,101,743	148,257		
\$	3,750,000 Sub-Total Research Institutions	\$ 4,067,902	\$ 3,443,651	\$ 4,250,510	\$ 2,345,904	\$ 14,107,967	\$ 3,750,000	\$ 807,163	\$ 1,133,802	\$ 1,940,965	\$ 1,809,035		
\$	19,750,000 Total	\$ 8,436,436	\$ 8,930,209	\$ 13,136,546	\$ 7,062,257	\$ 37,565,448	\$ 16,522,663	\$ 3,130,000	\$ 1,640,000	\$ 4,770,000	\$ 11,757,663		

Figure 1. Community Colleges  
Total Cash Donations and Eligible State Match: FY 1999-2002

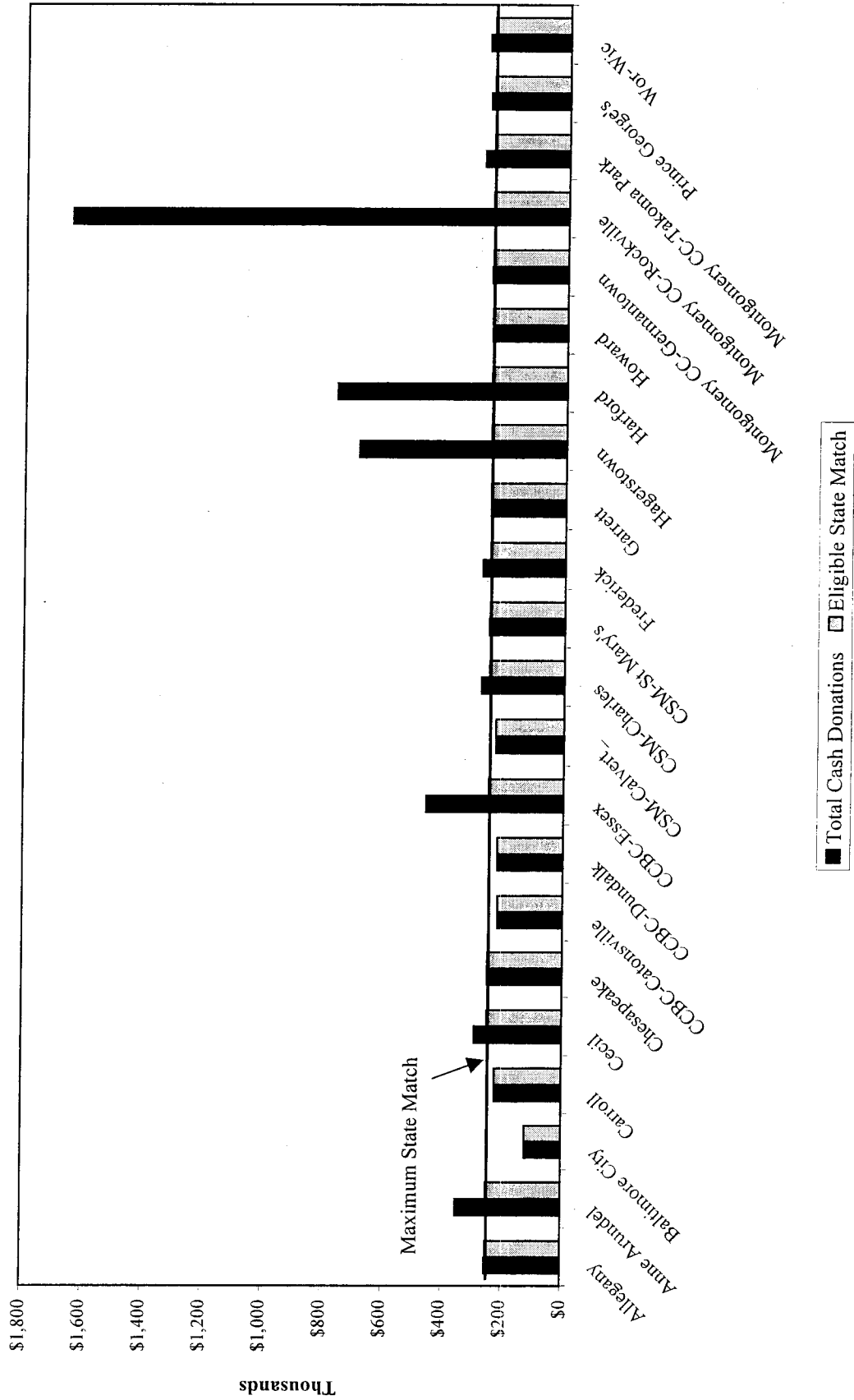


Figure 2. Historically Black Institutions  
Total Cash Donations and Eligible State Match: FY 1999-2002

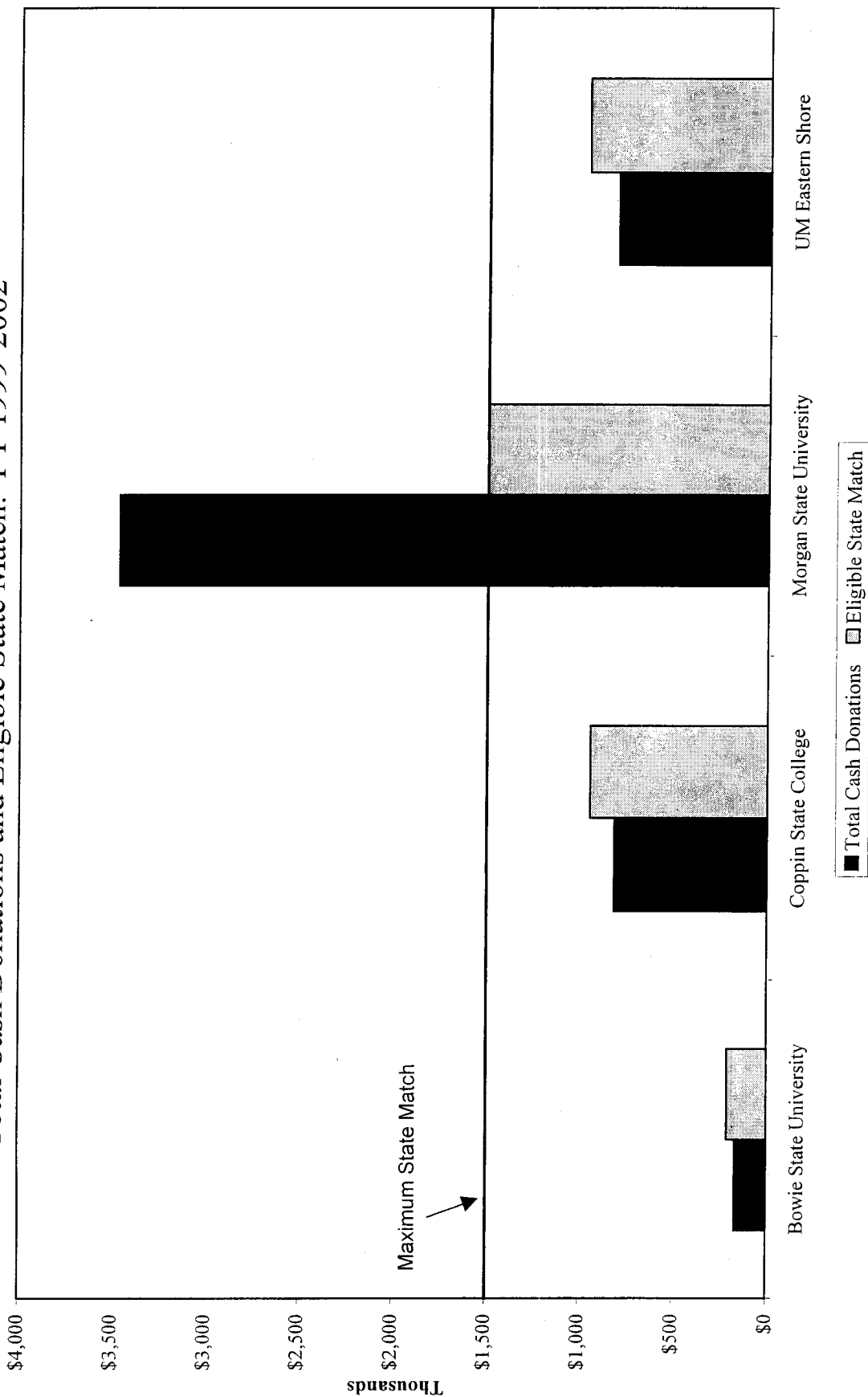


Figure 3. Maryland Research Institutions  
Total Cash Donations and Eligible State Match: FY 1999-2002

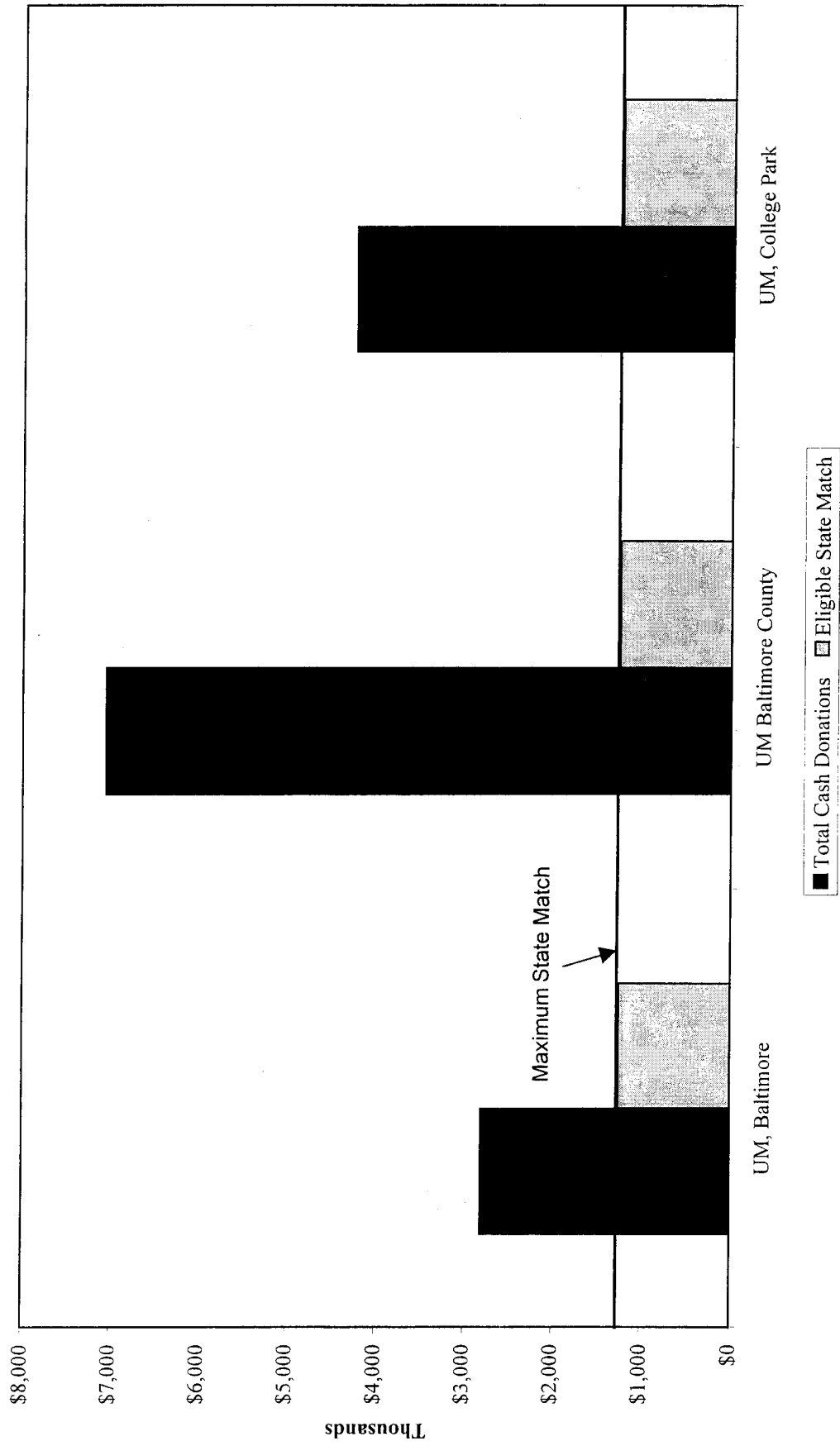
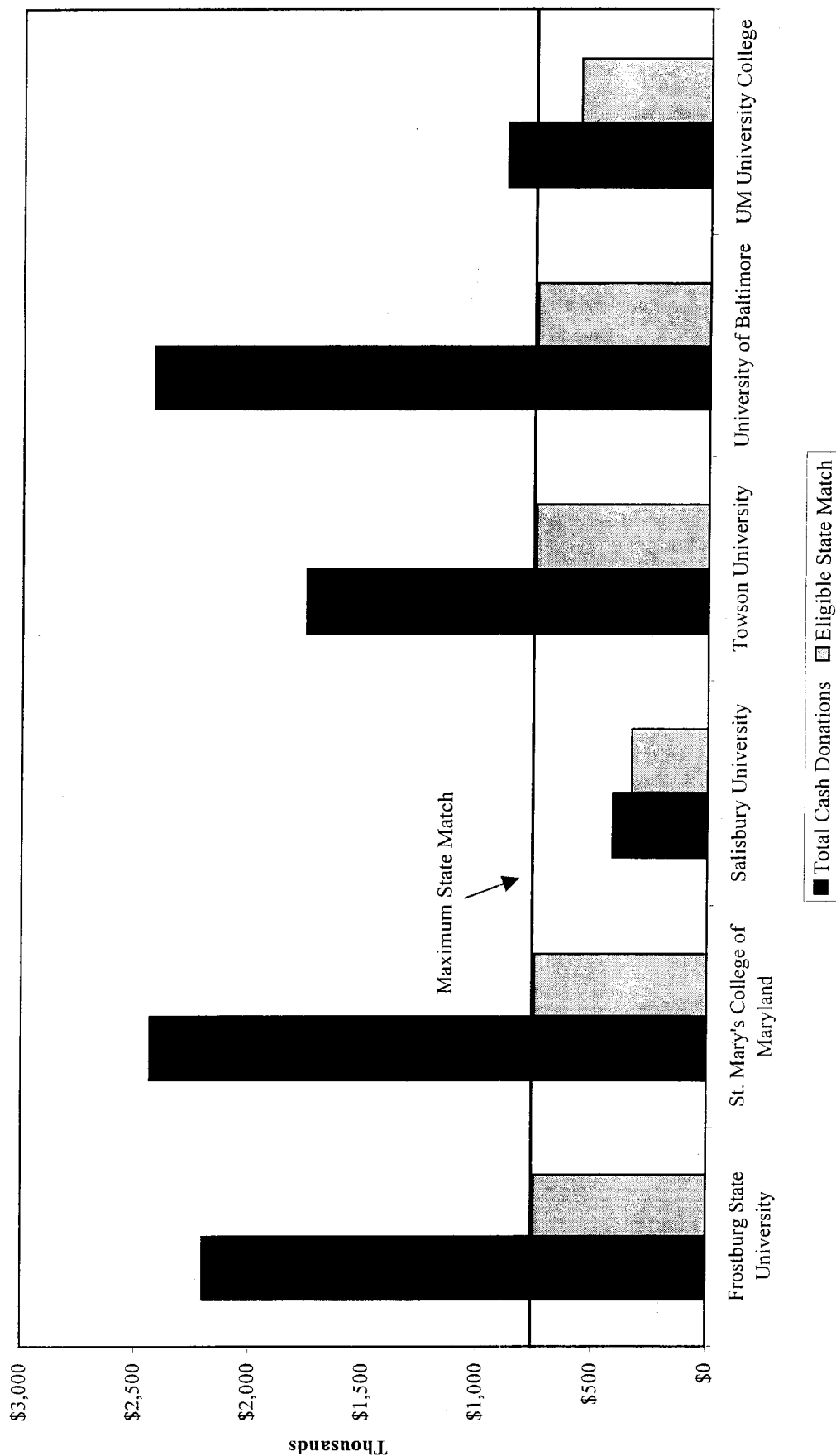


Figure 4. Public Four-Year Institutions  
Total Cash Donations and Eligible State Match: FY 1999-2002



**MARYLAND HIGHER EDUCATION COMMISSION  
MEETING DATES 2002-2003**

<b>2002</b>			
<b>August</b>	Education Policy	10:00 a.m.	Wednesday – August 7
	Finance Policy	1:30 p.m.	Thursday – August 8
<b>September</b>	Finance Policy	9:00 am - 2:30 p.m.	Thursday – September 19
	Commission Meeting	1:00 p.m.	Wednesday – September 25
<b>October</b>	Education Policy	10:00 a.m.	Wednesday – October 9
	Governor’s Higher Education Conference	8:00 am - 4:00 p.m.	Tuesday – October 15 Stamp Student Union University of Maryland, College Park
	Finance Policy	3:00 p.m.	Thursday – October 30
<b>November</b>	Commission Meeting	1:00 p.m.	Wednesday – November 13
<b>December</b>	Commission Retreat	8:00-5:00	Wednesday – December 11
<b>2003</b>			
<b>January</b>	Education Policy	10:00 a.m.	Wednesday – January 15
<b>February</b>	Commission Meeting	1:00 p.m.	Wednesday – February 19
<b>March</b>	Education Policy	10:00 a.m.	Wednesday – March 12
	Finance Policy	1:30 p.m.	Thursday – March 13
<b>April</b>	Commission Meeting	1:00 p.m.	Wednesday – April 23
<b>May</b>	Education Policy	10:00 a.m.	Wednesday – May 7
	Finance Policy	1:30 p.m.	Thursday – May 8
	Commission Retreat	8:00-5:00	Wednesday – May 21
<b>June</b>	Commission Meeting	1:00 p.m.	Wednesday – June 18

**All Commission, Education Policy, and Finance Policy meetings will be held at:  
839 Bestgate Road, Suite 400  
Annapolis MD 21401  
[www.mhec.state.md.us](http://www.mhec.state.md.us)**